

State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Representatives Present During the Inspection:						
MSHA	Pete Hess Environmental Scientist III					
Company	John Byars Manager of Technical Services					
Company	Mike Davis					

Inspection Report

Permit Number:	C0410002			
Inspection Type:	COMPLETE			
Inspection Date:	Monday, September 18, 2006			
Start Date/Time:	9/18/2006 9:15:00 AM			
End Date/Time:	9/18/2006 1:50:00 PM			
Last Inspection:	Tuesday, August 29, 2006			

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, cold; temperature close to freezing.

InspectionID Report Number: 1074

Types of Operations

Accepted by: whedberg

9/29/2006

Permitee: CANYON FUEL COMPANY LLC Operator: CANYON FUEL COMPANY LLC

Site: SUFCO MINE

Address: 397 S 800 W, SALINA UT 84654

County: SEVIER

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

Total Permitted	26,766.95	
Total Disturbed	27.36	
Phase I		
Phase II		
Phase III		

Mineral Ownership

✓ Federal ✓ Underground State Surface County Loadout Fee **Processing** Other Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee continues to meet the Special Permit Condition included as Attachment "A" of the current State permit. which requires the quarterly submittal of surface and ground water monitoring data in an electronic form to the Division web site.

Inspector's Signature:

Date

Tuesday, September 19, 2006

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Permit Number: C0410002 Inspection Type: COMPLETE

Inspection Date: Monday, September 18, 2006

Page 2 of 3

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale	✓			
2.	Signs and Markers	✓			
3.	Topsoil	✓			
4.a	Hydrologic Balance: Diversions	✓			
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	V		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures	V			
4.d	Hydrologic Balance: Water Monitoring	✓		✓	
4.e	Hydrologic Balance: Effluent Limitations	✓			
5.	Explosives	V		✓	
6.	Disposal of Excess Spoil, Fills, Benches		✓		
7.	Coal Mine Waste, Refuse Piles, Impoundments	✓		V	
8.	Noncoal Waste	✓			
9.	Protection of Fish, Wildlife and Related Environmental Issues	V			
10.	Slides and Other Damage		V		
11.	Contemporaneous Reclamation		✓		
12.	Backfilling And Grading		V		
13.	Revegetation		✓		
14.	Subsidence Control	V			
15.	Cessation of Operations		✓		
16.a	Roads: Construction, Maintenance, Surfacing	V		✓	
16.b	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities	✓			
18.	Support Facilities, Utility Installations	✓		✓	
19.	AVS Check	~			
20.	Air Quality Permit	✓			
21.	Bonding and Insurance	✓			
22.	Other				

Permit Number: C0410002 Inspection Type: COMPLETE

Inspection Date: Monday, September 18, 2006

Page 3 of 3

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The second quarter impoundment inspections for the mine site and waste rock sediment ponds were conducted by Mr. Davis on June 29, 2006. There were no signs of instability or other hazards noted during the Permittee's inspections of those impoundments. The Mine site pond was cleaned during July. To date, the Permittee has not completed the third quarter inspections for either pond; as such, the recertification of the Mine site pond has not been completed.

4.d Hydrologic Balance: Water Monitoring

The Permittee was inserting water monitoring data into the database at the start of today's inspection. The Permittee notified the Division on September 19, 2006 that the successful uploading of the second quarter 2006 surface and ground water monitoring information had been completed to the Division EDI.

5. Explosives

The Permittee has not recently conducted any surface blasting.

7. Coal Mine Waste, Refuse Piles, Impoundments

The piles on the active lift at the waste rock site have recently been leveled. The current lift only has a small amount of capacity remaining. Mr. Davis anticipates that the construction of the new lift will more than likely need to take place in the spring of 2007 when the ground dries out. The second quarter waste rock pile inspection was conducted by Mr. Davis on June 29, 2006 and certified by Mr. John Byars, P.E. on the same day.

16.a Roads: Construction, Maintenance, Surfacing

Mr. Davis informed the Division this day that aerial survey markers have been installed along the selected route for the Quitchupah road. A meeting with the Sevier County road department for planning purposes is to be held soon. A flyover must be completed before any designs can be developed.

18. Support Facilities, Utility Installations

The Permittee is making preparations to enlarge the pad area associated with the electrical substation.